

## PRESS RELEASE

### Mapletree Industrial Trust's Distributable Income for FY13/14 Increased 10.0% Year-on-Year to S\$166.1 million

- Distributable income for FY13/14 grew 10.0% year-on-year to S\$166.1 million
- Distribution per Unit ("DPU") for FY13/14 was 9.92 cents, 7.4% higher than last year
- Completed three development projects totalling S\$120 million and secured largest build-to-suit ("BTS") project at S\$250 million
- Achieved revaluation gain of S\$150.7 million due to improved portfolio performance and completion of development projects

22 April 2014 – Mapletree Industrial Trust Management Ltd., as manager (the "Manager") of Mapletree Industrial Trust ("MIT"), is pleased to announce that MIT's distributable income of S\$166.1 million for the Full Financial Year 2013/2014 from 1 April 2013 to 31 March 2014 ("FY13/14") was 10.0% higher than the S\$151.0 million for the same period last year. DPU for FY13/14 grew 7.4% year-on-year to 9.92 cents. Distributable income and DPU for 4QFY13/14 were S\$42.6 million and 2.51 cents respectively.

#### Financial Results of MIT for 4Q & FY13/14

	4QFY13/14	3QFY13/14	↑/(↓)%	FY13/14	FY12/13	↑/(↓)%
Gross revenue (S\$'000)	<b>75,169</b>	75,635	(0.6)	<b>299,276</b>	276,433	8.3
Property expenses (S\$'000)	<b>(21,874)</b>	(20,653)	5.9	<b>(84,537)</b>	(80,997)	4.4
Net property income (S\$'000)	<b>53,295</b>	54,982	(3.1)	<b>214,739</b>	195,436	9.9
Distributable income (S\$'000)	<b>42,613</b>	42,171	1.0	<b>166,111</b>	150,961	10.0
No. of units in issue ('000)	<b>1,690,406</b>	1,676,219	0.8	<b>1,690,406</b>	1,641,481	3.0
Available DPU (cents)	<b>2.51</b>	2.51	-	<b>9.92</b>	9.24	7.4

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Compared to the previous quarter, the higher distributable income of S\$42.6 million in 4QFY13/14 was attributed to the lower weighted all-in interest cost and positive rental revisions achieved for lease renewals and higher rents secured for new leases in Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings. The rental revenue increase was partially offset by the exit of a large Business Park Building tenant. DPU remained flat at 2.51 cents after accounting for the increase in number of units issued during the quarter.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, "MIT continued to deliver growth in distributable income and DPU in FY13/14. This was attributable to the improved occupancies in Flatted Factories and higher portfolio rental income. The completed asset enhancement initiatives ("AEI") at Woodlands Central and Toa Payoh North 1 Clusters as well as the BTS facility for Kulicke & Soffa are expected to contribute to rental income in the next financial year. We have also announced the acquisition of 2A Changi North Street 2 and the redevelopment of the Telok Blangah Cluster. With a strong balance sheet and lower aggregate leverage ratio of 34.4%, we will continue to pursue development and acquisition opportunities to deliver stable returns to our Unitholders."

### **Resilient Portfolio Performance**

Average portfolio passing rent increased to S\$1.75 per square foot per month ("psf/mth") from S\$1.73 psf/mth in the preceding quarter. Average portfolio occupancy decreased from 92.5% to 91.3% in 4QFY13/14, mainly due to the increase in leasable area upon completion of the AEI at Toa Payoh North 1 Cluster. The portfolio's retention rate was higher at 81.8%, as compared to 66.3% in the preceding quarter. Positive rental revisions were achieved across all property segments.

### **Unlocking Value through Development Projects**

Following the completion of the AEI on 29 January 2014, Toa Payoh North 1 Cluster has been successfully repositioned as a high-tech industrial cluster. The AEI involved the building of an eight-storey Hi-Tech Building and a five-storey amenity block, adding approximately 150,000 sq ft of gross floor area to the portfolio. Leasing interest has been strong and commitment for about 67% of the additional space has been secured.

MIT will undertake a S\$250 million BTS project for Hewlett-Packard Singapore through the redevelopment of the existing Telok Blangah Cluster. The redevelopment will maximise available plot ratio and also unlock value by repositioning the cluster for more sophisticated industrial uses. This latest project will also help grow the Hi-Tech Buildings segment and strengthen MIT's BTS track record.

### **Increase in Portfolio Valuation and Net Asset Value**

MIT's 84 investment properties were valued at S\$3,169.6 million as at 31 March 2014, which represented an overall increase of S\$289.7 million over the previous valuation as at 31 March 2013. The increase was due to a portfolio revaluation gain of S\$150.7 million and capitalised cost of S\$139.0 million on development projects. The revaluation gain was driven mainly by the improved portfolio performance and the completion of development projects. As a result, the net asset value per Unit increased from S\$1.10 as at 31 March 2013 to S\$1.20 as at 31 March 2014.

### **Proactive Capital Management**

MIT's balance sheet remained strong with a healthy interest cover ratio of 8.1 times as at 31 March 2014. The weighted average all-in funding cost was lower at 2.0% in 4QFY13/14 while the weighted average tenor of debt was 2.6 years. About 73% of MIT's gross borrowings of S\$1,129.7 million had been hedged through interest rate swaps and fixed rate borrowings, which will minimise the effect of interest rate fluctuations on distributions to Unitholders. The Manager will continue to apply the distribution reinvestment plan ("DRP") for 4QFY13/14 distribution following the positive take-up rate of 42.9% in the preceding quarter. The proceeds from the DRP will help finance the progressive funding needs of the development projects.

### **Market Outlook**

The Ministry of Trade and Industry reported in its advance estimates that the Singapore economy grew by 5.1% year-on-year in the first quarter of 2014 ("1Q2014"), lower than the 5.5% growth in the preceding quarter. However, the manufacturing sector grew at a faster pace of 8.0% year-on-year in 1Q2014, as compared to 7.0% in the preceding quarter. The

faster pace of expansion was primarily due to a sharp rebound in biomedical manufacturing and stronger growth in chemicals output.

The median rental rate for multi-user factory space island-wide increased slightly to S\$2.00 psf/mth from S\$1.98 psf/mth in the preceding quarter, according to JTC Corporation's statistics for the first two months of 1Q2014. The median rental rate for business park space island-wide fell by 5.8% from S\$4.49 psf/mth to S\$4.23 psf/mth in 1Q2014, reversing the upward trend observed since 2Q2013. Although the pipeline of industrial space supply in the market is anticipated to increase, MIT's portfolio rent is expected to remain stable in the next 12 months.

#### **Distribution to Unitholders**

Unitholders can expect to receive their quarterly DPU for the period 1 January to 31 March 2014 in cash by 3 June 2014. The crediting of DRP Units to Unitholders' securities accounts will be on 4 June 2014. The closure of MIT's transfer books and register of Unitholders is at 5.00pm on 30 April 2014.

For further information, please contact:

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## **About Mapletree Industrial Trust**

Mapletree Industrial Trust is a Singapore-focused real estate investment trust (“REIT”) that invests in a diversified portfolio of real estate used primarily for industrial purposes, whether wholly or partially, in Singapore, as well as real estate-related assets.

MIT’s portfolio of 84 properties in Singapore is valued at approximately S\$3.2 billion as at 31 March 2014 and has a total gross floor area of approximately 19.7 million square feet. MIT has a large and diversified tenant base of more than 2,000 multi-national companies and local enterprises. MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

## **About Mapletree Industrial Trust Management Ltd.**

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing active asset management, acquisition growth, capital and risk management, and selective development strategies, Mapletree Industrial Trust Management Ltd. seeks to generate returns for Unitholders by providing regular and stable distributions, as well as through achieving long-term growth in distribution per unit and net asset value per unit. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

## **About Mapletree Investments Pte Ltd**

Mapletree Investments Pte Ltd (“MIPL”) is a leading Asia-focused real estate development, investment and capital management company headquartered in Singapore. Its strategic focus is to invest in markets and real estate sectors with good growth potential in Asia. By combining its key strengths as a developer, an investor and a capital manager, MIPL has established a track record of award-winning projects in Singapore and delivered consistent and high returns from across various real estate classes in Asia.

As at 31 March 2013, MIPL owned and managed S\$21.8 billion of office, logistics, industrial, residential and retail/lifestyle properties. Presently, it manages four Singapore-listed REITs and five private equity real estate funds, which together hold a diverse portfolio of assets in Singapore and throughout Asia. MIPL has also established an extensive network of offices in Singapore, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam to support its regional expansion. MIPL’s property portfolio includes award-winning projects in Singapore such as the VivoCity, Mapletree Business City, and Tata Communications Exchange as well as mixed-use developments in the region such as Future City and Nanhai Business City in China.